PeopleSoft Asset Management Reconciliation

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05/04/05

Accounting Flow

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│                 │      │                 │      │                 │
│                 │      │                 │      │                 │
│    PO Module    │─────▶│    AP Module    │─────▶│    Interface    │
│                 │      │                 │      │                 │
│                 │      │                 │      │                 │
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         │                        │               │                 │
         │                        │               │                 │
         │                        │               │    AM Module    │
         │                        │               │                 │
         │                        │               │                 │
         │                        │               └────────┬────────┘
         ▼                        ▼                        ▼
┌─────────────────┐      ┌─────────────────┐      ┌──────────────────────┐
│                 │      │                 │      │  GL, GFAAG Ledger     │
│                 │      │                 │      │ Some AM entries       │
│ GL, ACTUALS     │      │ GL, ACTUALS     │      │ depending             │
│ Ledger          │      │ Ledger          │      │ on the profile id.    │
│ ALL PO          │      │ ALL AP          │      │ (GAAP Actuals for     │
│ transactions.   │      │ transactions.   │      │ Proprietary)          │
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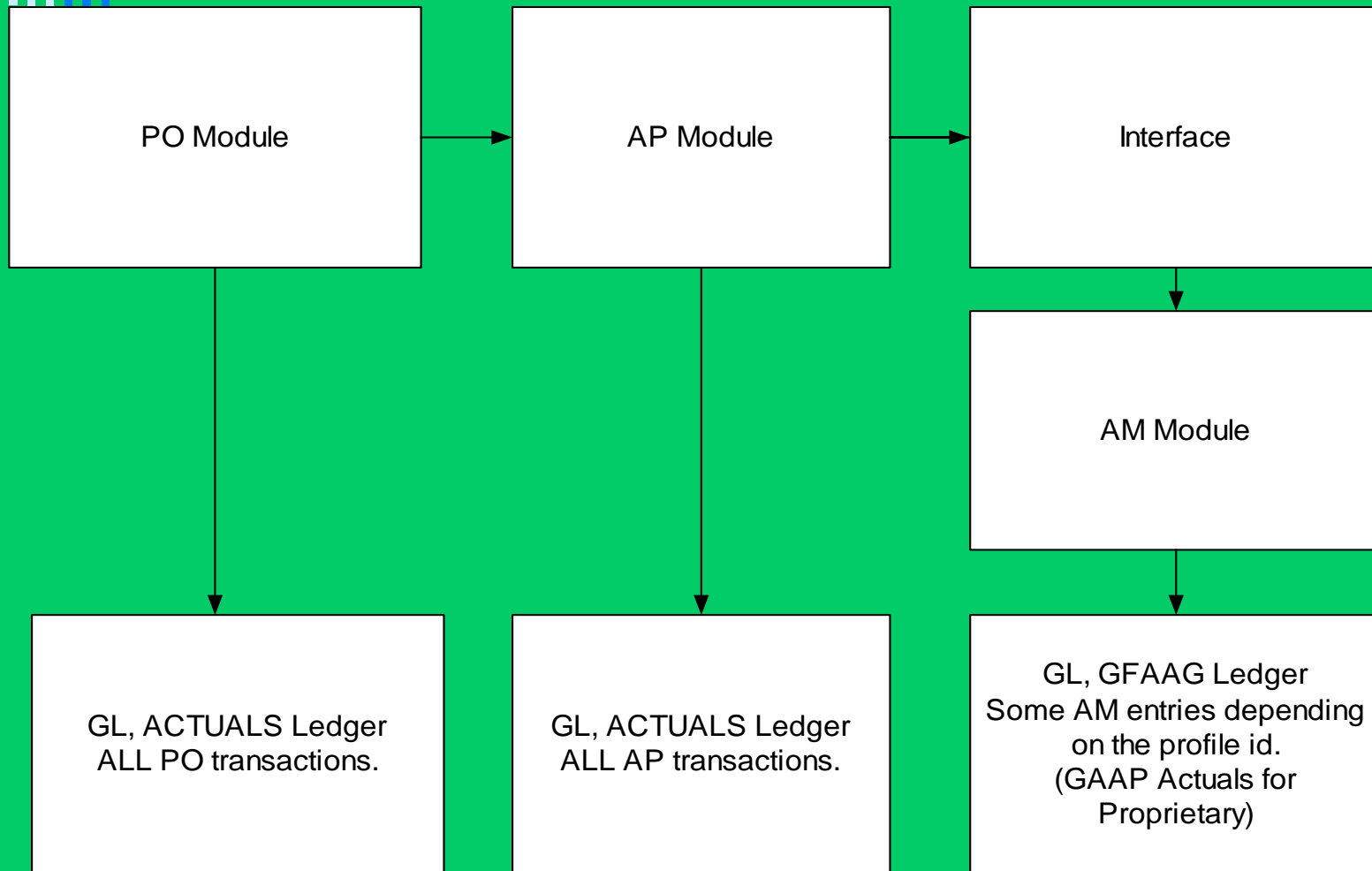
Accounting Entry Example

- A 20K vehicle is purchased in AP. The profile of VEHICLE is selected.
- AP accounting entry is as follows.
  - Debit 20K on expense account 722001
  - Credit 20K on cash account 1XXXXX
- AM accounting entry is as follows.
  - Debit 20K on fixed asset account 175001
  - Credit 20K on contra asset account 720001

Accounting Entry Example

- A 1000 laptop is purchased in AP. The profile of SMALLCOMP is selected.
- AP accounting entry is as follows.
  - Debit 1K on expense account 616006
  - Credit 1K on cash account 1XXXXX
- AM accounting entry is as follows.
  - N/A

Accounting Entry Example

- A 15K piece of machinery is purchased in AP. The profile of MACH is selected.
- AP accounting entry is as follows.
  - Debit 15K on expense account 720001
  - Credit 15K on cash account 1XXXXX
- AM accounting entry is as follows.
  - Debit 15K on fixed asset account 175001
  - Credit 15K on contra asset account 720001

Reconciliation

- Procedures are located on the Phoenix website.

- The reconciliation is split into two main sections.

- Part I works to reconcile any PO/AP payments that fall into the inventory (expense) range of accounts with the "ACTUALS" ledger. It will also bring to light any payments that were not flagged to go to AM or errors in the interface.

Reconciliation

- Part II works to reconcile any Assets in the AM module to the GFAAG or GAAPACTUALS ledger.
  - Proprietary agencies post to the GAAPACTUALS.
  - Governmental agencies post to the GFAAG.
  - This is determined by profile selection.
- Part I of the reconciliation focuses on expense accounts.
- Part II of the reconciliation focuses on asset accounts.

Reconciliation

☐ Part I of the reconciliation insures that items are inventoried.

☐ Part II of the reconciliation insures that assets valued 5K or greater are capitalized and update the appropriate ledger.

Reconciliation

- Assets with an acquisition cost of 1K up to 5K must be inventoried.

- Assets (generally) with an acquisition cost of 5K or greater must be inventoried, capitalized, and depreciated.

- Exceptions to the 5K capitalize rule are:

    - Buildings, Improvements, Library Collections @ 100K

    - Software, Infrastructure @ $1,000,000

    - Land, Works of Art/ Historical Treasures….Capitalize ALL

- Some profiles never depreciate like LAND even though they are capitalized (all driven by the profile).
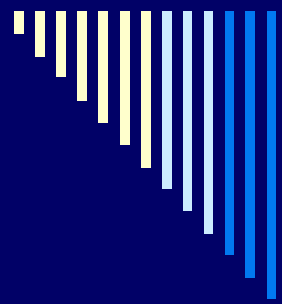
Inventory Range of Accounts AP/PO

- 616001 Small Value
- 616005 Weapons Small Value
- 616006 Small Comp
- 616007 Small Value (Other machinery & equipment)
- 663001 Software
- 720001 Wide range of machinery and equipment 5K and greater
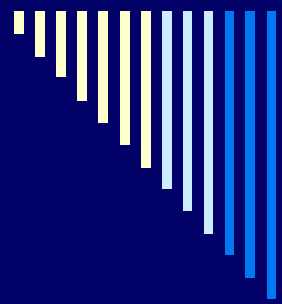
Inventory Range of Accounts AP/PO

- 721001 Computer and Computer Equipment
- 722001 Vehicles
- 72300X Land
- 724001 Buildings, Capital Building Improvements
- 725001 Improvements other than Buildings, Other
- 726001 Art
- 727001 Library Collections
- 733XXX Infrastructure

Queries

□ 0AMREC001 Transactions from AP to AM

□ 0AMREC002 Express adds/ manual adjustments in AM

□ 0AMREC003 Transactions not flagged in AP in inventory range of accounts

□ 0AMREC004 Errored out in the interface

□ 0AMREC005 Same as the 003 query above but gives voucher info.

Queries

☐ **0AM_BALGL3**

- To find AP vouchers charged to equipment expense accounts, flagged or not flagged.

☐ **0AM_BALGL4**

- To find AP vouchers that were NOT charged to equipment but were marked as an asset in error.

☐ **0AM_BALGL7**

- To find AP vouchers that charge large value equipment and sent data to AM.

Reports

- Agency Inventory Report
- AMXXX0402 report.
  - Can only run by transaction date/ no date option.
  - Not that useful for reconciliation purposes.
  - List ALL inventory as of a particular transaction date.

Reports

☐ Agency Detail/Summary Recon Report

☐ AMXXX0406 report

- Returns ALL assets (Small and Large value)
- Can run by transaction date or accounting date.
- Since transaction date can be back-dated, it is better to run by accounting date.
- Both dates can be an issue if data is held in the interface for too long (a month or more).
- Used in Part I of the reconciliation.

Reports

☐ GL Inventory Report

☐ AMXXX0409 report

- Runs by fiscal year and period.

- Only those assets which create accounting entries.

- Used in Part II of the reconciliation.

- Is cumulative inventory (large value) as of a particular fiscal month.

Reports

□ GL Recon Detail/Summary Report

□ AMXXX0506 report

- Runs by fiscal year and period(s).

- Only those assets which create accounting entries.

- Used in Part II of the reconciliation.

- Beginning balance, all activity for large value assets, and ending balance for a month or period.

Part I of the Recon
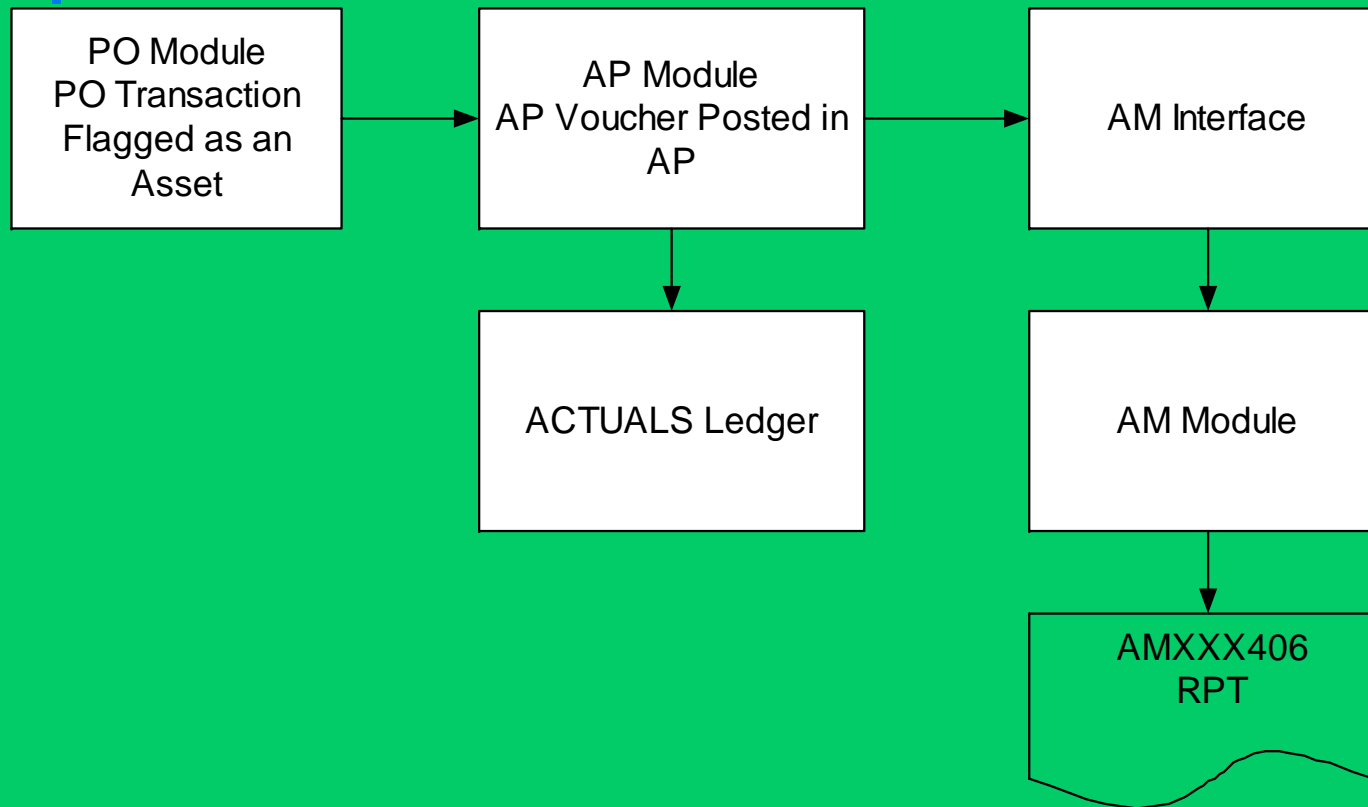
Part I Actuals Ledger to AP/AM

- Step 1
  - Run the Trial Balance for the Actuals Ledger.
  - This will give all activity for the inventory "expense" account range for the selected period.
- Step 2
  - Run the 0AMREC001 to list all entries that updated the AM module via the interface.
  - These are AP vouchers marked as an asset.
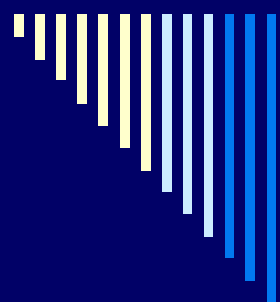
Part I Actuals Ledger to AP/AM

- Any differences between step 1 and 2 should be….
  - Assets not flagged in AP
  - AP data that was errored out in the interface
  - Timing differences (accounting date vs. journal date)

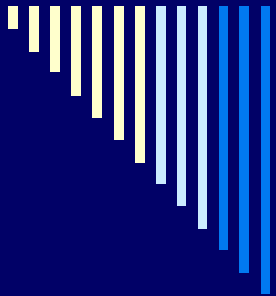# Part I Actuals Ledger to AP/AM

□ Step 3
  - ■ Assets not flagged on the voucher can be found by the 0AMREC3 or 0AM_BALGL3
  - ■ AP data that was errored out in the interface can be found by the 0AMREC4 query.

□ Both of the above points should be handled manually in the AM module IF this has not already occurred.
  - ■ This part may take some analysis but is critical!

Part I Actuals Ledger to AP/AM

- Manual entry in the AM module (Add, Adj) can be found via the 0AMREC002 query.
  - Any returns from 0AMREC003 or 0AMREC004 should be manually keyed and show up on the 0AMREC002 query.
  - The exception would be if the AP voucher shouldn't have been flagged in the first place and data should simply remain in error in the interface with no manual action in the AM module.

Part I Actuals Ledger to AP/AM

- Timing differences.
  - The 0AM_BALGL3 can show you AP vouchers that were flagged as assets.
  - Pay attention the the accounting date vs. the period to which it posted. If there is a difference, it will show up in two month's reconciliation.

Part I Actuals Ledger to AP/AM

- Data that came over from AP (0AMREC1) plus any manual entries (0AMREC2) should equal the AMXXX406 report.
  - This report is the agency detail/summary recon report.
  - It shows all adds, adjustments, retirements, and reinstatements for a period of time.
  - You may run it by accounting date or transaction date. ***Accounting date is the better date for reconciliation purposes.

Part II of the Recon

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┌─────────────────┐         ┌─────────────────┐         ┌─────────────────┐
│  All assets via │         │                 │         │ AMXXX506 RPT    │
│ interface add or│ ──────▶ │   AM Module     │ ──────▶ │ AMXXX409 RPT    │
│  manual add/adj │         │                 │         │ Cap Assets Only │
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                                     │
                                     ▼
                            ┌─────────────────┐
                            │ GFAAG or GAAP   │
                            │ ACTUALS Ledger  │
                            │ Cap. Assets Only│
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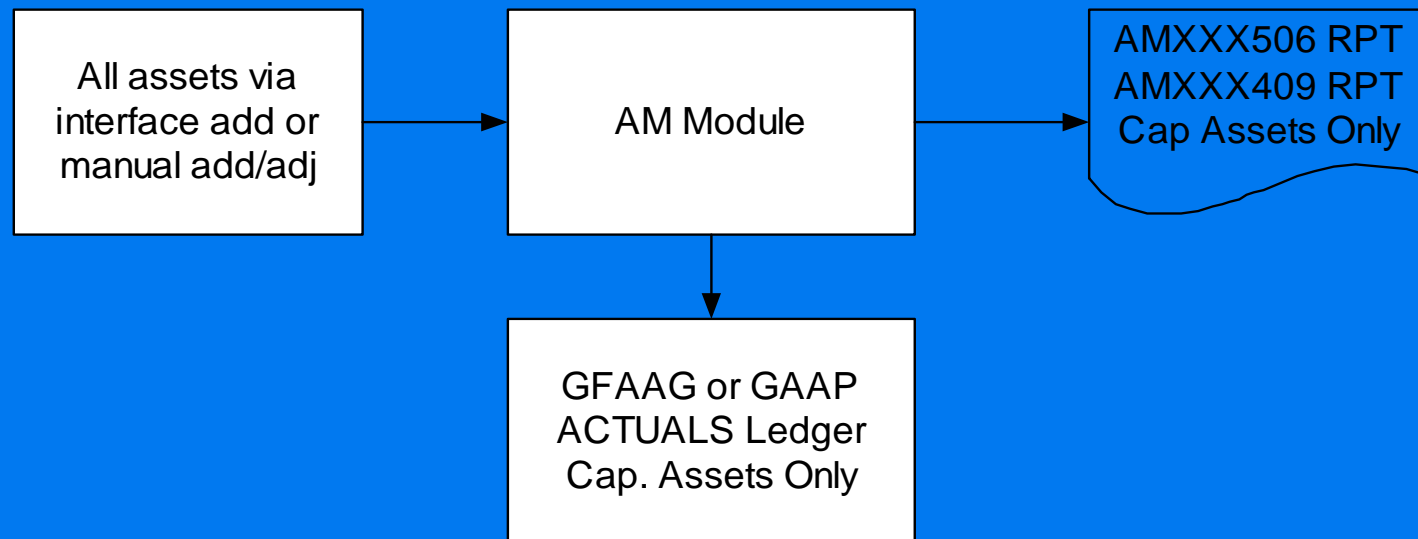
Part II GFAAG Ledger to AM

- Keep in mind in part II, we are only looking for big dollar assets that generate accounting entries in the GFAAG ledger….if a query returns small value items, we must exclude them from the totals.

- If the agency is proprietary, they will book to the GAAPACTUALS ledger.

Part II GFAAG Ledger to AM

☐ Step 1 & 2 "Trial Balance"

- ■ Run the Trial Balance for the GFAAG Ledger.
- ■ This will give all activity for the inventory "asset" account range for the selected period.

Part II GFAAG Ledger to AM

- Step 3 & 4 "Control Totals"
- This section may be informational only.
  - Transactions from AP via 0AMREC1 query. Sort out and exclude any small value items.
  - Manual entries in AM via 0AMREC2 query. Sort out and exclude any small value items.
  - Retirements/ reinstatements may be pulled from the GL recon detail/ summary AMXXX0506 report.
  - Prior Period Journals may need to be found via the 0AM_BALGL7 query. (Timing differences)

Part II GFAAG Ledger to AM

- Step 3 & 4 control totals should equal the period activity for the trial balance (step 1 & 2)

Part II GFAAG Ledger to AM

- Step 5 "506" Report
  - The AMXXX0506 report is the GL recon detail/summary report.
  - It has a beginning balance, shows activity for the period (add, adj, ret, rei) and has an ending balance for a particular fiscal month or period.
  - It should balance back to the trial balance for the same month or period.

Part II GFAAG Ledger to AM

□ Step 5 "409" Report

  ■ The AMXXX0409 report is the GL inventory report.

  ■ It is a running total of all "capitalized" inventory as a particular fiscal month.

  ■ It should balance back to the trial balance for the same month.

Things to watch for

- P-cards
- Dates on reports or queries
  - Accounting Date vs. Journal Date/ Period
  - Due to lag in interface
- Journal date roll (Either AP or AM side)
- Non-inventory account being marked as an asset in AP/PO
- Wrong profile being selected in AP/PO

Things to watch for

☐ Wrong inventory account being charged in AP while selecting the correct profile Id

☐ Trial Balance

  ■ GLXXX044A includes PO activity.

  ■ GLXXX044M does NOT include PO activity.

☐ Previous year's asset added in current year.

  ■ Document on the reconciliation.

Communication

- Communication is all important when it comes to reconciliation. It will most likely be crucial to communicate with your Accounting/AP colleagues during the reconciliation process.
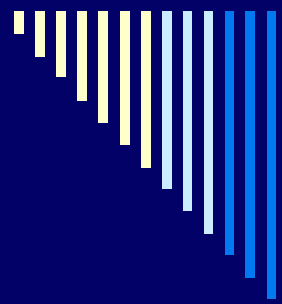
Frequency

☐ Best practice is to reconcile on a monthly basis.

☐ The accounting procedures say that it is required (at minimum) "periodically".

"Accounting Analyst"

☐ What might an analyst want to see as far as reconciliation?

- ■ They would want to know current year AP expenditures (inventory range of accounts).

- ■ They would want to know that ALL of those expenditures (small value and large) made it into the AM module.

- ■ If you add assets from previous years in the current year, it needs to be detailed in the reconciliation.

Other Resources

- An excellent source of AM information is the "State of Georgia Capital Asset Guide" located on the Department of Audits' website.

- The guide is about a 20 page section located in the accounting procedures manual.

Questions?

- This presentation will be available on the GTA Phoenix website.
- http://phoenix.gagta.com
- Help desk number is 1-888-896-7771 or 404-657-3956
- dbarber@gta.ga.gov